

FOR YOUR INFORMATION

Your Retirement System News

VOL. 4 - NO. 1

JUNE 1991

TAX ON RETIREMENT BENEFITS STILL "UP IN THE AIR"

Although the 1991 Legislature passed, and the Governor signed into law on May 24, 1991, **SB 226** which makes all retirement benefits above \$3,600/year taxable income for Montana state income tax purposes, a court suit filed by one state and several federal retirees has left this issue unresolved. This legislation also provided for an annual lump sum benefit increase of approximately 2.5% for Montana's public retirees who reside in the state.

As soon as the court case is resolved, information will be mailed to all retirees. Please stay tuned . . .

GENERAL BENEFIT CHANGES

Refunds to terminating members. **HB 373** provides that any member who terminates covered employment with any of the retirement systems administered by the Public Employees' Retirement Board will be eligible for a refund of their employee contributions, plus interest, regardless of the length of service or the reason for their termination from covered employment. This ends the prior situation in some retirement systems where a member who terminated with less than 10 years service would not receive a refund of the interest which had accumulated on their employee contributions.

Of course, a member is not required to take a refund and may instead elect to leave their contributions on deposit for additional time periods—in which case, additional interest will accrue to their retirement account on a tax-deferred basis.

Duplicate Warrants. **HB 585** provides a new mechanism for issuing a duplicate warrant for retirees who may have lost or destroyed a monthly retirement benefit check. No bond will be required in order to have a duplicate warrant issued in the future. (A bond will still be required to provide a duplicate warrant to a terminating member who has lost or destroyed a refund check.)

Retirement benefits are NOT AUTOMATIC. You must apply for them. Please contact the retirement division at least 30 days prior to your anticipated retirement date in order to begin this application process.
(406) 444-3154

PERS DISABILITY BENEFITS CHANGE

Due to amendments to the federal Age Discrimination Act, benefits provided to PERS members who become disabled while in PERS membership service were amended during the 1991 Legislature. **HB 323** mandates a new level of disability benefits for persons who become PERS members after February 24, 1991.

PERS members employed on February 24, 1991 will be covered under the "old" disability benefits unless they elect to make a one-time, irrevocable election to be covered under the new disability benefit provisions. Election forms and complete descriptions of disability benefit provisions will be distributed to employees via their employers soon after July 1. Elections to be covered under the new disability benefit provisions must be made prior to January 1, 1992.

This change in disability retirement benefits will not affect the benefits paid to current disability retirees.

"New" PERS Disability Benefits. A PERS member with at least 5 years of service who becomes disabled while employed by a PERS-covered employer is eligible for a disability retirement benefit which is equal to:

$$\frac{1}{56} \times \text{Years of Service} \times \text{Final Average Salary}$$

There is no actuarial reduction regardless of age or length of service.

"Old" PERS Disability Benefits. A PERS member employed on February 24, 1991 who has at least 5 years of service and has become disabled while in active service, but is not eligible for service retirement, is eligible for a disability retirement benefit which is equal to the greater of:

$$90\% \times \frac{1}{56} \times \text{Years of Service} \times \text{Final Average Salary},$$

OR

$$25\% \times \text{Final Average Salary}$$

The new benefit has no age restrictions for eligibility and provides a benefit exactly equal to the regular retirement benefit. The old benefit is not payable to anyone who is age 60 or over (or who has 30 years of service) and pays either 90% of the service retirement benefit or $\frac{1}{4}$ pay, whichever is more. **In return for removing the age restriction, the minimum benefit has been eliminated.**

PERS members employed on 2/24/91 who become eligible for disability benefits with less than 15 years of service and prior to reaching age 60 will receive higher benefits under the "old" system. Those who become disabled with more than 15 years of service will receive higher benefits under the "new" system.

RETURN TO WORK FOR PERS RETIREES

The 1991 Legislature has liberalized the restrictions on PERS retirees who return to covered employment. However, retirees (in addition to their PERS-covered employers) are now required to report this employment (name of employer, hours worked, gross compensation) to the retirement division on a monthly basis.

PERS retirees who have been retired for at least 1 full month, may return to PERS-covered employment without terminating their PERS benefits. If the retiree works more than 600 hours for a PERS-covered employer in any calendar year, the retiree's PERS benefit will be reduced \$1 for each \$1 earned after exceeding the limit.

A retiree who is age 65 or older can either work 600 hours or earn gross wages of up to $\frac{1}{2}$ their annual PERS benefit, whichever will provide the highest earnings to the retiree. After exceeding the limit, their benefit will be reduced on a \$1-for-\$1 basis.

Any PERS retiree can elect to become an active PERS member at any time during their employment with a PERS-covered employer. If this election is made, retirement benefits will cease, retirement contributions must be paid, and additional service credits will be earned. The member may re-retire upon termination of covered employment with a new monthly benefit which will be based upon their current age and new total service credits and final average salary.

PERS employers currently are required to report the employment of a PERS retiree to the retirement division on a monthly basis. Beginning March 29, 1991, **SB 231** also requires individual retirees to report the total hours worked and compensation earned each month while employed by a PERS-covered employer.

Most public agencies in Montana are PERS covered employers. PERS retirees who work any amount of time for any public employer should understand their new reporting responsibilities. For more information, please contact the PERD.

HPORS MEDICARE-OFFSET SUPPLEMENT TO END

The Highway Patrol Officers' Retirement System currently offers a supplemental retirement benefit to retirees (or their surviving spouses) who must pay for their Medicare Part A Hospitalization Insurance. To date, no eligible person has applied for this benefit.

SB 192 ends this unused benefit. If you have not applied and been granted this monthly benefit prior to August 1, 1991, you will not be eligible to apply for the benefit in the future.

Retirees or their surviving spouses who are age 65 or older (or disabled) and who are not entitled to prepaid Medicare (Part A) hospital insurance coverage and who **actually pay a premium for such coverage** are eligible for a monthly supplemental retirement benefit of \$156/month.

In order to begin receiving this benefit, retirees must apply in writing, attaching the most recent copy of the Medicare billing for Medicare Part A hospital insurance as proof of eligibility for this benefit. [Do not confuse this with the billing for Medicare Part B (physician) coverage.] For a copy of the application form, please contact:

Public Employees' Retirement Division
1712 Ninth Avenue
Helena, Montana 59620-0131

JUDGES' RETIREMENT SYSTEM MODIFICATIONS

Beginning July 1, 1991, judges and justices' contributions to the JRS will be tax deferred due to the passage of **HB 453**. Members will note a decrease in federal and state income taxes withheld from their paychecks and a decrease in the taxable income reported on their annual W-2 statements. Since this tax deferral will be reflected in the wages reported by the employer, members should **not** deduct their contributions again when filing their annual tax returns to the state and federal government.

The Chief Water Judge will become a member of the JRS on July 1 due to the passage of **SB 243**. This judge was previously covered by the Public Employees' Retirement System.

Retired judges or their beneficiaries will receive an increase in their retirement benefits beginning with the benefit check distributed at the end of July due to **SB 228** which increases active members' salaries. Since retiree benefits are calculated based on the current salary paid in the position from which each member retired, the following benefit increases are anticipated: Chief Justice: 3.47%, Associate Justice: 3.54%; and District Court Judge: 3.63%. Further benefit increases will occur in January 1992, July 1992 and January 1993 as active members' salary increases become effective.

ADDITIONAL BENEFITS ACCRUE TO SHERIFFS

Due to the passage of **HB 288**, Sheriffs' Retirement System (SRS) members will earn retirement benefits equal to half their final salary when they reach 24 years of service (2.083% of final salary per year of service). For each year after 24 years of service, a member will earn 1.35% of final salary per year of service. The maximum benefit of 60% of final salary has not changed. These changes are effective for any member retiring after June 30, 1991.

HB 432. Beginning July 1, 1991, SRS members who have at least 5 years of service and are involuntarily discontinued from service before reaching retirement age will be eligible to elect a retirement allowance beginning after their 50th birthday. This allowance will be actuarially reduced from either 24 years of service or age 60, whichever will produce the higher monthly benefit.

Under the provisions of **HB 941**, SRS members will have the option of purchasing one additional year of service for each 5 years of membership service they have accrued in the retirement system. Since this service will be used both in determining a member's minimum eligibility for retirement as well as in calculating their retirement benefit, the full actuarial cost must be paid by the member. A member will be eligible to purchase no more than 5 years of this "1-for-5" service and military service, combined. The Public Employees' Retirement Board will have a public hearing on specific rules to administer these provisions.

HIGHWAY PATROL OFFICERS' BENEFITS TO INCREASE

Benefit Formula Increase. **HB 77** provides for a new and higher formula for calculating the retirement benefit of any highway patrol officer who retires after July 1, 1991. Retirees after this date will receive a benefit equal to 2.5% of their final salary per year of service (instead of 2.0% per year of service). This will result in a 25% increase in benefits for those retiring in the future; current retirees will see no change in their monthly benefit.

Both employee and employer contribution rates will increase effective July 1 in order to pay for this benefit enhancement. Employees' contributions will now be 9% of their salary; the employer rate will increase by an additional 9.53% of total covered salaries.

Supplemental Benefit. **HB 711** provides an annual lump-sum benefit payment to members who retired prior to July 1, 1991. This benefit will be funded by a 25 cent fee on all vehicle registrations which will be proportionally distributed each year to eligible benefit recipients based upon their years of service in the retirement system (disability retirees and survivors of patrol officers who died while in active service will be assumed to have 20 years of service for the purpose of calculating their share of the lump sum benefit each year).

In order to be eligible for the annual supplement, a HPORS benefit recipient must meet one of the following criteria:

- (1) a retired patrol officer at least 55 years of age or older who has been receiving their benefit for at least 5 years prior to the date of distribution; or
- (2) a beneficiary of a patrol officer who would have been eligible under (1) above; or
- (3) a recipient of a disability or survivorship allowance.

In addition, a retiree who is otherwise qualified under (1), above, must not be employed in a position covered by another Montana public retirement system.

Any recipient of a service retirement benefit which currently is more than 60% of the current base salary of a probationary highway patrol officer will have their service credits reduced by 25% for purposes of calculating their proportional share of the lump-sum benefit.

The percent increase in the annual supplemental payment to an eligible recipient can be no more than the increase in the Consumer Price Index (CPI) in the previous calendar year. This limitation will become effective with the 1993 supplemental payment for those persons who received a supplemental benefit in the preceding year.

The amount available for distribution in September 1991 will not be known until August. A **very rough** estimate would be that the total amount available for the first distribution may be in the neighborhood of \$210,000 and that the average lump-sum supplemental benefit paid in September would be approximately \$1,300.

Persons retiring on or after July 1, 1991 will not be eligible for this supplemental benefit; their monthly benefits have already been increased by **HB 77** (see above).

The minimum monthly benefit allowance has not been changed and will not be affected by the new supplemental benefit. Retirees currently eligible for a minimum benefit adjustment due to base salary increases for probationary highway patrol officers which are scheduled to go into effect during July, 1991 will receive an increase in their regular monthly benefit paid at the end of July.

PURCHASING ADDITIONAL SERVICE IN PERS

The Public Employees' Retirement Board has amended their administrative rules to allow the purchase of "months" of additional service (instead of full years). A PERS member who is otherwise statutorily eligible to purchase 1 or more full years of additional service under the "1-for-5" serv-

MUNICIPAL POLICE GAIN 20 YEAR RETIREMENT

Beginning July 1, members of the Municipal Police Officers' Retirement System (MPORS) will only be required to serve until they have completed 20 years of service, regardless of age, in order to be eligible for retirement.

The combined effects of HB 595, HB 274 and SB 222 also provide that a member of the MPORS will become vested after qualifying a minimum of 10 years of service in this retirement system, which no longer must be actual service as a municipal police officer. Any service for which the full actuarial cost has been paid (such as service transferred from another retirement system) will also qualify a

PLEASE READ:

IMPORTANT NOTICE OF CHANGE IN PERS DISABILITY RETIREMENT PROVISIONS

New PERS Disability Benefits Enacted

The 1991 Legislature enacted new PERS disability retirement benefits (HB 323) in response to recent federal legislation. These new disability benefit provisions are already in effect for all PERS members who were not employed in a PERS covered position on February 24, 1991. For purposes of this notice, the newly enacted provisions will be referred to as the "New PERS Disability Benefits."

PERS members who were employed in a PERS covered position on February 24, 1991 are covered by the disability benefit provisions which were in effect prior to February 24, 1991. For purposes of this notice, these provisions will be referred to as the "Old PERS Disability Benefits."

Current PERS disability retirees will NOT have their benefits changed in any way by the "New PERS Disability Benefit" provisions.

One-time, Voluntary, Irrevocable Election Available to Certain PERS Members

PERS members who are covered under the "Old PERS Disability Benefit" provisions (those PERS members were employed in a PERS covered position on February 24, 1991), have the right to make a one-time, voluntary, irrevocable election to be covered under the "New PERS Disability Benefit" provisions of PERS law. The deadline for making this election is December 31, 1991, and election forms must be received by the Public Employees' Retirement Division no later than that date. (Be sure to mail at least 1 week prior to deadline.) Once the election is made, it can not be reversed for any reason. Once the deadline has passed, members may no longer make an election to change coverage. The election will be effective on the date (prior to 1/1/92) the properly completed election form reaches the PERS office.

"OLD PERS DISABILITY BENEFITS" [19-3-1008(1), MCA] (for PERS members employed in a PERS covered job on 2/24/91)

Eligibility for "Old PERS Disability Benefits":

- Vested member (at least 5 years of membership service in PERS)
- Totally and permanently disabled while an actively employed member of the system (does not have to be a duty-related disability).
- Must NOT be eligible for service retirement benefits (e.g., age 60 or have 30 years of service)

Amount of "Old PERS Disability Benefits":

-- The greater of either of the following formula amounts:

90% x 1/56 x Years of Service x Final Average Salary (FAS) OR 25% x Final Average Salary (FAS)

(If you become disabled with less than 16 years of service, you will receive the minimum benefit of "1/4 of your FAS"

"NEW PERS DISABILITY BENEFITS" [19-3-1008(2), MCA] (for PERS members who were not employed in a PERS covered job on 2/24/91 or those who make a voluntary election prior to 1/1/92)

Eligibility for "New PERS Disability Benefits":

- Vested member (at least 5 years of membership service in PERS)
- Totally and permanently disabled while an actively employed member of the system (does not have to be a duty-related disability).

Amount of "New PERS Disability Benefits":

-- Benefits calculated under the following formula:

1/56 x Years of Service x Final Average Salary (FAS)

BASIC DIFFERENCES BETWEEN THE "OLD" AND THE "NEW" PERS DISABILITY BENEFITS:

"OLD PERS DISABILITY BENEFITS"

Eligibility: At least 5 years of service, but under age 60

Amount: Minimum benefit of 25% of FAS, OR 90% of the regular retirement benefit amount (whichever is HIGHER)

"NEW PERS DISABILITY BENEFITS"

Any age, with at least 5 years of service

No minimum benefit, 100% of the regular retirement benefit amount

If you become disabled after you have accumulated at least 16 years of service, your benefits will be higher under the "New PERS Disability Benefits." If you become disabled with less than 16 years of service and before reaching age 60, your benefits will be higher under the "Old PERS Disability Benefits."

HPORS
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HB 432. Beginning July 1, 1991, SRS members who have at least 5 years of service

MEMBER'S VOLUNTARY AND IRREVOCABLE ELECTION OF COVERAGE UNDER THE PROVISIONS OF 19-3-1008(2), MCA
FOR PERS DISABILITY RETIREMENT PURPOSES AFTER 2/24/91

I have read the information on the reverse side of this form and understand that as a PERS member who was employed in a PERS covered position on February 24, 1991, that I am covered under the provisions of 19-3-1008(1), MCA, for disability retirement purposes. Instead of coverage under 19-3-1008(1), I understand I have the statutory right to make a voluntary and irrevocable election to be covered for disability retirement purposes under the provisions of 19-3-1008(2), MCA.

I understand that the new PERS disability retirement eligibility provisions contained in 19-3-1008(2), MCA, have no age restrictions. I also understand that these new provisions do not contain a minimum disability retirement benefit equal to "25% of my Final Average Salary (FAS)" OR "90% x 1/56 X Years of Service x FAS", whichever is higher. The new provisions under which I am hereby electing to be covered instead offer a monthly disability benefit which is exactly equal to the regular service retirement benefit ("1/56 x Years of Service x FAS").

I understand that my individual coverage under the provisions of 19-3-1008(2), MCA will become effective on the date that this properly completed notice of voluntary election is received by the Public Employees' Retirement Division (PERD), 1712 Ninth Avenue, Helena, MT 59620; however, this election is void if received by the PERD after December 31, 1991. Finally, I understand that I may not revoke or cancel this voluntary election at any time in the future.

I hereby affirm that I was employed in a PERS covered position on February 24, 1991 and that I hereby voluntarily and knowingly exercise my statutory right to elect PERS disability retirement coverage under the newly enacted provisions of 19-3-1008(2), MCA.

Signature of PERS Member

MANDATORY: Signature of PERS Member's Spouse
(or, if there is no spouse, the signature of a witness)

Printed Name of PERS Member

Social Security Number of PERS Member

Home Address

City State ZIP

FOR PERD USE ONLY:

DATE RECEIVED BY PERD/EFFECTIVE DATE OF ELECTION

PURCHASING ADDITIONAL SERVICE IN PERS

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The combined effects of **HB 595**, **HB 274** and **SB 222** also provide that a member of the MPORS will become vested after qualifying a minimum of 10 years of service in this retirement system, which no longer must be actual service as a municipal police officer. Any service for which the full actuarial cost has been paid (such as service transferred from another retirement system) will also qualify a

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MONTANA STATE LIBRARY

STAN STEPHENS, GOVERNOR

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STATE OF MONTANA

(406) 444-3115

HELENA, MONTANA 59620

TO: State Library Employees
FROM: Joanne Stevens
DATE: July 24, 1991
SUBJECT: PERS Disability Election Forms

A change in state PERS statutes which became effective earlier this year allows PERS members who were employed in a covered position on February 24, 1991 to make an election to be covered under the new PERS disability retirement provision.

I am attaching a copy of the form needed to make this election. Please read it and if you have any questions, bring them to the Staff Meeting July 31, 1991 and Jacki will try to answer them.

Rather than send the form directly to PERS, please return them to me so that we have a record of it in your personnel file.

"AN EQUAL OPPORTUNITY EMPLOYER"

Judge: 3.63%. Further benefit increases will occur in January 1992, July 1992 and January 1993 as active members' salary increases become effective.

For a minimum benefit adjustment due to base salary increases for probationary highway patrol officers which are scheduled to go into effect during July, 1991 will receive an increase in their regular monthly benefit paid at the end of July.

PURCHASING ADDITIONAL SERVICE IN PERS

The Public Employees' Retirement Board has amended their administrative rules to allow the purchase of "months" of additional service (instead of full years). A PERS member who is otherwise statutorily eligible to purchase 1 or more full years of additional service under the "1-for-5" service purchase statute may instead elect to buy this additional service in one-month increments.

For example, a member eligible to purchase 2 years of additional service instead could elect to purchase 1 year, 7 months of service. If the member paid for the service in a lump-sum, he or she could buy 19 months. Or, the member could purchase 1 year of the service with "time payments". When the first purchase is complete, the member could then buy an additional 7 months based on the member's previous 12-month salary at that future date.

HPORS MEMBERS MAY PURCHASE OUT-OF-STATE SERVICE

After June 30, 1991 SB 230 allows highway patrol officers with at least 5 years of service credit to purchase up to 5 years of out-of-state law enforcement service for credit into the HPORS. Since this service can be used to make members eligible for retirement, as well as for calculating their actual retirement benefit, the cost for purchasing each year of service will be quite high. Please contact the PERD for additional information or a cost statement.

LEGISLATURE TO STUDY RETIREMENT SYSTEMS

The Montana Legislature will conduct a study of the state's public retirement systems during the interim before the next Legislature meets in January 1993. The Legislature has not had the time to take a good hard look at the benefits, costs, and membership of the state's retirement systems since the early 1970's. After almost 50 bills affecting the retirement systems were introduced during the 1991 session, it became clear that a piecemeal approach to retirement will not be in the best interests of either employees or the state.

The Public Employees' Retirement Board and Division are looking forward to working with the interim legislative committee on this review, which will coincide favorably with the Board's plans to draft legislation to recodify the retirement statutes over the next 18 months. For more information about scheduled meetings and work plans of the interim committee, please contact the Montana Legislative Council at (406) 444-3064.

MUNICIPAL POLICE GAIN 20 YEAR RETIREMENT

Beginning July 1, members of the Municipal Police Officers' Retirement System (MPORS) will only be required to serve until they have completed 20 years of service, regardless of age, in order to be eligible for retirement.

The combined effects of HB 595, HB 274 and SB 222 also provide that a member of the MPORS will become vested after qualifying a minimum of 10 years of service in this retirement system, which no longer must be actual service as a municipal police officer. Any service for which the full actuarial cost has been paid (such as service transferred from another retirement system) will also qualify a MPORS member for vesting and for 20 year retirement.

The 10-year vesting provision allows members who terminate covered employment after July 1, 1991 but prior to reaching 20 years of service, and who leave their contributions on deposit with the system, to be eligible for a retirement allowance beginning after they reach 50 years of age. The allowance will be 2.5% of their final compensation for each year of service they had qualified into the system.

A member who terminates active employment with at least 20 years of service after July 1, 1991 will be eligible for an immediate monthly retirement allowance which will be equal to 2.5% of their final compensation for each year of service qualified into the system (up to 20 years) and an additional 1% of their final compensation for each year of qualified service over 20 years, up to a combined total monthly benefit which is equal to 60% of their final compensation.

Contribution rates will increase effective July 1 in order to fund these benefit enhancements. Police officers hired prior to July 1, 1975 will continue to pay 6% of their base salaries into the system; however, those who became members of MPORS between July 1, 1975 and June 30, 1979 will begin paying 7.2% of their base salaries and those first hired in a MPORS covered position on or after July 1, 1979 will begin paying 8.7% of their base salaries to the retirement system. Cities will pay 13.92% of their total covered payroll to MPORS and the state's contribution will increase to 15.55% of the total covered payroll.

EMPLOYEE AND EMPLOYER CONTRIBUTION RATES TO CHANGE

As a result of various benefit enhancements, the following employee and employer contribution rates will change effective July 1, 1991. (If a rate is not noted below, it has not changed.)

PERS:	Employee rate increases to 6.417%
JUDGES':	District Court Fees increase to 34.71%
HIGHWAY PATROL:	Employer rate increases to 36.28%,
(HPORS)	Employee rate increase to 9.0%
MUNICIPAL POLICE:	Employer rate increases to 13.92%;
	Employee rate increases to 7.2% (7/75-6/79 hires)
	8.7% (7/79 and after)

Cities belonging to the Municipal Police Officers' Retirement System should note that there are now 3 different employee contribution rates for the MPORS, based upon the initial membership date for each police officer in this retirement system. MPORS members on or before 6/30/75 still pay 6% to the retirement system; all other members will realize a contribution rate increase. Please contact the PERD with any questions.

VOLUNTEER FIREFIGHTER BENEFITS STABILIZED

Beginning with July benefit payments, the full participation benefit for retired volunteer firefighters will be set at \$120/month, with partial participation benefits based on this total amount and in proportion to the retiree's volunteer service. Benefits paid during July 1, 1991 through June, 1993 will be:

YEARS OF SERVICE	MONTHLY BENEFITS
10	\$ 60
11	66
12	72
13	78
14	84
15	90
16	96
17	102
18	108
19	114
20	120

HB 599 also requires that a study be made of the Volunteer Firefighters' Pension Fund in order to determine whether the fund can continue to pay benefits at this level. The Public Employees' Retirement Board will report these findings to the next legislature along with recommendations for permanent stabilization of benefits for volunteer firefighters.

FOR YOUR INFORMATION

Official publication of the
**Public Employees'
Retirement Division**

Stan Stephens, Governor

**Public Employees'
Retirement Board**

Robert L. Batista, President
E. J. McGreevey, Vice President
Terry Telchrow
Troy McGee
Dwight MacKay
Mona Jamison

Administration

Bob Marks, Director
Department of Administration

**Public Employees'
Retirement Division**

Larry Nachtsheim, Administrator
Linda King, Assistant Administrator
Mike O'Connor, Operations Bureau
Chief
Beverly Brinkley, Benefits Bureau Chief

Public Employees' Retirement Division
Department of Administration
1712 Ninth Avenue
Helena, Montana 59620-0131
(406) 444-3154

LEGISLATIVE ENACTMENTS TO PERS

The 1991 Legislature made several changes to the Public Employees' Retirement System:

HB 205 sets the total employee cost for transferring service between the PERS and the Teachers' Retirement System to be their accumulated contributions (including interest). This change is retroactive for service transfers on or after October 1, 1989 and will generally effect only those who transferred service from PERS to TRS.

HB 769 clarifies a PERS member's rights when terminating covered employment. If you terminate with less than 5 years of PERS membership service, you are eligible to receive a refund of your contributions, plus interest up to the date of the refund. You may take the refund immediately or wait until some later date

(in which case, interest will continue to accrue to your account).

If you terminate with 5 or more years of PERS service, you may elect either a refund or a monthly retirement benefit (for which you will be eligible when you have reached at least age 50). You may continue to purchase service in the system if you have left your contributions on deposit and have at least 5 years of service credit and are otherwise statutorily eligible.

LEGISLATIVE CHANGES FOR PAID FIREFIGHTERS

HB 760. Members of the Firefighters' Unified Retirement System who were hired on or after July 1, 1981 will have their disability benefits figured on the same basis as those hired prior to that date. For purposes of calculating the amount of the disability retirement benefit, the final month's compensation will be used instead of a 36-month average.

HB 372 requires cities joining the Firefighters' Unified Retirement System after June 30, 1991 to retain responsibility for paying off the excess unfunded liabilities of their local plans. An actuarial valuation will be conducted of the former plans of all new members and a schedule for paying any unfunded liabilities will be negotiated with the city as a prerequisite for FURS membership.

RETIREE ADDRESS CHANGES

It is extremely important for retirees to notify the retirement division of any changes of address. This notification must be made in writing and must include the retiree's full name, Social Security Number or Retirement Number, old address and complete new address and the notification must be signed by the retiree. Those who use a postal service change of address form must also include either their Social Security Number or Retirement Number.

MPORS MINIMUM BENEFIT ADJUSTMENTS

The basis for calculating minimum benefits for all retirees in the Municipal Police Officers' Retirement System will now be the current fiscal year. **HB 830** brought this calculation period for pre-1975 retirees to the same basis as is used to calculate the benefits for those retired after 7/1/75.

The minimum adjustments made to eligible retirees' benefits will reflect the change beginning in July, 1991. Persons retired prior to 7/1/75 may see a \$10 to \$75/month increase in their monthly benefits, depending upon the current pay for a newly confirmed police officer in the city from which they retired.

The Public Employees' Retirement Board will soon adopt rules to deal with the possibility that one or more cities may not have a negotiated fiscal year salary in place for their police officers in time for the adjustments to be made each July.

ITS THE END OF THE MONTH, DO YOU KNOW WHERE YOUR PENSION CHECK IS?

If you have signed up for electronic deposit of your monthly benefit, it's in your bank account. If you have your check mailed to your home or to your bank, "your check is in the mail"—and you know what that means! So, call the retirement division today to request your electronic deposit request form. You'll be so glad you did.

42,000 copies of this public document were published at an estimated cost of 5¢ per copy, for a total cost of \$2,100.00 which includes \$2,100.00 for printing and \$.00 for distribution.

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